

**Warehouse Lease Amendment #2 — Expansion of 8663 Grovemont Circle to Include Suite C**

This lease amendment is made this 3rd day of September 2008 by and between **HALCYON ASSOCIATES**, a Maryland limited partnership, (together with its successors and assigns called "Landlord" or "the Landlord"), and **MONTGOMERY COUNTY, MARYLAND**, a political subdivision of the State of Maryland (together with its successors and assigns called "County" or "the County") to the lease dated on or about 22 August 2000 for 8663 Grovemont Circle, Gaithersburg, Maryland. Landlord and the County (collectively called "Parties" or "the Parties") agree:

**Recitals**

1. On or about 22 August 2000, the Parties signed the original lease document for the warehouse space at 8663 Grovemont Circle, Suite A, Gaithersburg, Maryland for use by the Montgomery County Fire and Rescue Service ("MCF&RS").
2. The Parties amended this lease to extend the Term and to expand the Premises to include 8663 Grovemont Circle, Suite B, also for use by the MCF&RS (Lease Amendment #1 First Extension dated February 9, 2007) Suite B adjoins the north side of Suite A.
3. The purpose of this amendment is to expand the premises again to include 8663 Grovemont Circle, Suite C, also for use by the MCF&RS. Suite C adjoins the south side of Suite A.
4. Because the use of Suite C complements the uses of Suite A and Suite B, but is not identical to the uses of Suite A and Suite B, the Parties have agreed to some provisions specific to Suite C.

NOW THEREFORE, Parties further agree:

**A#2(a) Context.** This amendment is a part of the lease for 8663 Grovemont Circle and, except as provided for in this amendment, the provisions of the original lease document apply to Suite C. Some provisions may be repeated here for convenience. This amendment does not apply to Suite A or Suite B and, because the previous amendments are specific to Suite A and Suite B, the previous amendment does not apply to Suite C.

**A#2(b) Expansion into Suite C.** The Premises is hereby expanded to include 8663 Grovemont Circle, Suite C. Suite C is deemed to contain 4,500 square feet of Gross Rentable Area (GRA). Landlord represents that Suite C is suitable for general office and general warehouse use. At the County's sole cost and expense, the County may provide additional improvements to Suite C to accommodate other uses.

**A#2(c) Term.** Except as provided for in the original lease document and in parts A#2(d) and A#2(e) below, the length of the term for Suite C is FIVE non-calendar years with an expected term starting date of October 1, 2008 and an expected term ending date of September 30, 2013.

Landlord: HALCYON ASSOCIATES

Tenant: Montgomery County, MD at 8663 GROVEMONT CIRCLE, SUITE C

**A#2(d) Postponed Starting Date.** If the Landlord has not delivered Suite C to the County with the improvements provided for in "Schedule #1 of Amendment #2 — Initial Improvements to 8663 Grovemont Circle, Suite C" substantially complete at least ten business days before the starting date, then starting date will be postponed until ten business days after the Landlord delivers the Premises with the initial improvements substantially complete. The ending date will also be postponed to reflect the length of the full term.

**A#2(e) Early Term End.** In addition to the rights of the County to end the term early as provided for in the original lease document, for Suite C only, the County may also end the term early by payment of an early termination fee. If the date of the early term end is during the second lease year, then the fee will be \$9,000; during the third lease year, \$6,000; during the fourth lease year, \$3,000. This part A#2(e) does not (a) provide for an early term end during the first lease year nor (b) require payment for an early term end during the fifth lease year. If the County elects to end the term early by this part A#2(e), then the County shall give Landlord at least 180 days prior written notice of the early term ending date.

**A#2(f) Suite C Base Rent Schedule.** For Suite C only, Tenant shall pay Base Rent of **\$308,880.00** (exclusive of Additional Rent, if any) in Monthly Base Rent Installments by the "Suite C Base Rent Schedule."

Suite C Base Rent Schedule

Period	Period Starting Date	No. of Months	Monthly Base Rent Installment (\$)	Period Base Rent (\$)
Lease Year #1	10/01/08	12	4,800.00	57,600.00
Lease Year #2	10/01/09	12	4,968.00	59,616.00
Lease Year #3	10/01/10	12	5,142.00	61,704.00
Lease Year #4	10/01/11	12	5,322.00	63,864.00
Lease Year #5	10/01/12	12	5,508.00	66,096.00
Total Base Rent (exclusive of Additional Rent, if any)				308,880.00

**A#2(g) Parking.** For Suite C only, the County shall prevent the use of more than 12 outside vehicle spaces for both County and non-County vehicles. Vehicle spaces include loading spaces.

**A#2(h) Insurance.** Notwithstanding part "7. Tenant's Pro Rata Share" in the original lease document, for Suite C only, the County shall pay only those increases in insurance costs that are directly caused by the County's use of the Premises for other than general office or general warehouse.

**A#2(i) County's Pro Rata Share.** For Suite C, the County shall pay real estate taxes as provided for in part "8. REAL ESTATE TAXES" in the original lease document, but for Suite C only, the calculations will be based on a real estate tax base year of 2007 — 2008 and a tenant's share of 11%.

**A#2(j) Landlord's Initial Improvements.** Landlord shall provide and pay for the improvements to Suite C as provided for in "Schedule #1 of Amendment #2 — Initial Improvements to 8663 Grovemont Circle, Suite C."

**A#2(k) Subsequent Improvements.** At the County's sole discretion, the County may contract with the Landlord to modify or provide additional improvements to Suite C in addition to the initial improvements.

**A#2(l) Access.** At any time after 30 days after full execution of this amendment, the County may take possession of Suite C for construction of improvements or other purposes and the County will be deemed to have taken possession of Suite C on October 1, 2008 even if it has not already done so except as provided in A#2 (d) above.

**A#2(m) Brokers.** With regard to this amendment, the County represents that it has not dealt with any finders, real estate agents, or brokers.

*The Signature Page follows next.*

Signature Page

IN WITNESS WHEREOF, the Parties hereto have caused this Lease to be properly executed.

Witness to Mr. Daniel:

Landlord: ~~DANIEL, DANIEL AND DANIEL~~

Daniel Baltis

By:

USHING DANIEL, III  
John Daniel, General Partner

Date signed:

22 AUG '08

Tenant: MONTGOMERY COUNTY, MARYLAND

By:

Diane R. Schwartz Jones  
Diane R. Schwartz Jones

Assistant Chief Administrative Officer

Date signed:

9/3/08

APPROVED AS TO FORM AND  
LEGALITY

OFFICE OF THE COUNTY ATTORNEY

By:

Wah Oron

Date signed:

8/18/2008

RECOMMENDED:

By:

Cynthia L. Brenneman

Cynthia L. Brenneman, Director

Office of Real Estate

Dept. of General Services

Date signed:

8/15/08

**Schedule #1 of Amendment #2 — Initial Improvements to 8663 Grovemont Circle, Suite C**

**A#2-S#1 (a) Landlords Work.** At the start of the Term only, Landlord shall perform only the following "Landlord's Work." There is no other Landlord's Work. Unless noted otherwise, all work shall be Building Standard. Some Landlord's Work may have already been completed. Unless noted otherwise, Landlord shall pay for all the Landlord's Work. As Landlord's Work, Landlord shall:

1. General. Place existing office area in good working order.
2. Carpet. Replace existing carpet with new carpet and base; one color selected by County.
3. Paint. Repaint office area with one color as selected by County.
4. Building systems. In the office area, place existing building systems, electrical, HVAC, plumbing, and sprinklers in good working order.
5. Hardware. Place existing hardware in good working order.
6. Toilet rooms. Place existing toilet room in good working order.
7. Code items. Provide exit signs and emergency lighting as required.

**A#2-S#2 (b) County's Specific Work.** The following are NOT included in the Landlord's Work, but are listed for coordination and clarity:

8. Counters or work benches. COUNTY shall provide all counters, work benches, and trade fixtures.
9. Fire extinguishers. COUNTY shall provide any required fire extinguishers.
10. Telecommunications or data systems. COUNTY shall provide all telephone and data systems and wiring.
11. Security systems. COUNTY shall provide all security systems and shall re-key exterior door lock.
12. Power backup. COUNTY shall provide all power backup.
13. Window covering or protection. COUNTY shall provide all films, bars, mesh, or decorative window treatments.
14. Bottled water. COUNTY shall provide bottled water as required.
15. Keying of doors. COUNTY shall provide initial and any re-keying of doors. (Landlord will not keep any keys to Premises.)

**A#2-S#1 (c) County's General Work.** Other than Landlord's Work, County shall provide and install any other or subsequent (if any) improvements to the Premises for the County's use, including but

Landlord: HALCYON ASSOCIATES

Tenant: Montgomery County, MD at 8663 GROVEMONT CIRCLE, SUITE C

not limited to additional partitions, lighting, HVAC, modular office furniture, electrical distribution, special equipment, systems furniture, telephone wiring and systems, computer systems, alarm systems, etc., and any associated plans, permits, and code items, including but not limited to, fire suppression systems for specific equipment and low-voltage wiring permits.

**A#2-S#1 (d) Mandatory Site Visits.** Because of the specialized nature of the improvements to the Premises, the County's using agency shall, during construction, either (a) visit the Premises daily or (b) provide for visits to the Premises on 24-hour notice.